

## Finance and Performance Committee Terms of Reference

<b>Date Approved and Adopted</b>	December 2020
<b>Frequency Review</b>	Annual
<b>Next Review</b>	December 2021
<b>Terms of Reference Drafting</b>	Trust Secretary
<b>Review</b>	Finance and Performance Committee
<b>Approval and Adoption</b>	Trust Board
<b>Version Number</b>	1.1

### 1. Constitution

- 1.1. The Trust Board hereby resolves to establish a Committee to be known as the Finance and Performance Committee.
- 1.2. The Committee is constituted as a standing committee of the Trust Board. Its constitution and terms of reference shall be as set out below; and will be subject to amendments approved by the Trust Board.

### 2. Authority

- 2.1 The Committee is authorised to seek information it requires from any employee of the Trust. All members of staff are directed to co-operate with any request made by the Committee. The Committee is authorised to obtain legal or other independent professional advice and to secure the attendance of advisors with such expertise that it considers necessary.
- 2.2 The Committee is authorised by the Board to make decisions within its terms of reference, including matters specifically referred to it by the Board.

### 3. Membership

- 3.1 The Committee shall comprise:
  - Three Non-Executive Directors one of whom will chair the Committee.
  - Chief Operating Officer
  - Director of Finance
  - Director of People and Transformation
  - Director of IM&T
- 3.2 In the absence of the appointed Committee Chair, another Non-Executive Director will chair the meeting.

### 4. Attendance at Meetings

- 4.1 The following officers (or nominated alternates) are required to attend meetings but are not members:
- Associate Director of Performance and Sustainability
  - Director of Transformation
  - Director of Operational Finance
  - Assistant Director of Digital Programme Management
  - Director of Corporate Governance/Trust Secretary
  - Director of Facilities when reviewing the Capital Plan.
- 4.2 The Committee can request the attendance of any other director or senior manager if an agenda item requires it.
- 4.3 Attendance at meetings is essential. In exceptional circumstances when an Executive Director member cannot attend they must arrange for a fully briefed deputy of sufficient seniority to attend on their behalf.

## **5. Quorum**

- 5.1 The quorum necessary for the transaction of business shall be three members of whom two must be Non-Executive Directors and one Executive Director.

## **6. Frequency of Meetings and Conduct**

- 6.1 The Committee will meet bi-monthly and will be set in advance as part of the planning of the Trust Board and Committee meetings annual calendar of business.
- 6.2 Further meetings can be called at the request of the Committee Chair.
- 6.3 An agenda of items to be discussed and supporting papers will be forwarded to each member of the Committee and any other person required to attend, no later than five working days before the date of the meeting.
- 6.4 Decisions may be taken by written resolution upon the agreement of the majority of members of the Committee in attendance, subject to the rules on quorum.

## **7. Responsibilities**

The Committee will provide assurance to the Trust Board that:

- Financial and operational performance (including IM&T operational performance) is delivered in accordance with the agreed strategy, plans and trajectories; and

- That the Trust's transformation programme, including digital transformation programmes, is delivered in accordance with agreed plans.

The Committee's responsibilities will include gaining assurance on the systems and processes that underpin the Integrated Performance report production, including data quality. It will provide overview and scrutiny in any areas of transformation, financial, and operational performance as well as Risk Management of Board Assurance Framework and Trust Level Risks relevant to the committee's remit, and those referred to it by the Trust Board.

### **7.1. *Financial and Performance Management***

- 7.1.1 Monitor the Trust's performance against its annual financial plan and budgets.
- 7.1.2 Receive and monitor reports on financial performance including forecasts, cost improvement programmes and use of resources, noting any trends, exceptions and variances against plans on a Trust-wide and divisional basis and reviewing in detail any major performance variations.
- 7.1.3 Maintain an overview of the activity models to ensure consistency and to provide assurance on critical assumptions.
- 7.1.4 Consider the adequacy of forecasting models used in relation to financial and operational performance.
- 7.1.5 Monitor the Trust's operational performance against its annual plan together with any necessary correcting planning and action.
- 7.1.6 Review income line and service line reporting to support investment and disinvestment decision making in relation to profitable and unprofitable services.
- 7.1.7 Consider changes to the Trust reporting requirements under new regulatory arrangements.
- 7.1.8 Seek assurance on mitigations for financial and operational risks from contracting and planning with commissioners.

#### **Informatics Performance:**

- 7.1.9 Maintain an overview of internal IM&T service delivery performance, including trends, risks and issues.

7.1.10 Seek assurance on Cyber Security developments to assure the Board that the organisation is protected from future threats.

## **7.2. Transformation and Digital Change**

7.2.1 Monitor and seek assurance on the delivery of the Trust's 5-year Transformation Plan, including benefits realisation.

7.2.2 Monitor and seek assurance on the delivery of the Informatics Digital Change Programme, and that it has delivered benefits and learning has been built into future projects.

7.2.3 Seek assurance that Informatics have a direct working partnership with the Transformation Team, and that change programmes are being progressed in a joined-up manner focusing on delivering benefits to patients.

## **7.3. Performance Reporting**

7.3.1 Seek assurance that the measures incorporated in the Integrated Performance Report to the Trust Board meet both internal requirements and those of external stakeholders.

7.3.2 Seek assurance that the underpinning systems and processes for data collection and management are robust and provide relevant, timely and accurate information to support the operational management of the organisation. This will include the robustness of Data quality and the delivery of improvement actions.

## **7.4. Capital Management**

7.4.1 Review and monitor the strategic five year capital programme and the annual capital budgets and recommend actions or mitigations to the Trust Board.

7.4.2 Consider proposals for investment in the estate and technology to ensure alignment with Trust strategy.

7.4.3 Review and approve capital business cases in accordance with the Trust's Standing Financial Instructions and Scheme of Delegation.

7.4.4 Review those capital business cases above the Committee's authority limits as set out within the Trust's Standing Financial Instructions and Scheme of Delegation and make recommendation to the Trust Board for approval.

## **7.5. Treasury Management**

7.5.1 Review the cash position of the Trust.

## **7.6. Investment Appraisal**

- 7.6.1 Review and approve revenue business cases in accordance with the Trust's Standing Financial Instructions and Scheme of Delegation.
- 7.6.2 Review those revenue business cases above the Committee's authority limits as set out within the Trust's Standing Financial Instructions and Scheme of Delegation and make recommendation to the Trust Board for approval.
- 7.6.3 Review the benefits realisation of business cases and post implementation reviews to ensure that the standard of business case preparation is consistently high.

## **7.7. Risk**

- 7.7.1 Consider all relevant risks within the Board Assurance Framework and Trust Level Risks as they relate to the remit of the committee (transformation, finance, operational performance and IM&T service and change delivery), as part of the reporting requirements, and will report any areas of significant concern to the Audit Committee or the Trust Board as appropriate.
- 7.7.2 Recommend changes to the Board Assurance Framework relating to emerging risks and existing entries within its remit for the executive to consider.

## **8. Reporting**

- 8.1. Formal minutes of Committee meetings will be recorded.
- 8.2. Full minutes will be sent in confidence to all members of the Committee and shall be made available on request to NHS Improvement and the Trust's internal and external auditors.
- 8.3. The Committee shall report to the Trust Board on its proceedings after each meeting to provide assurance and to escalate issues as appropriate.
- 8.4. The Committee will provide an annual report to the Board setting out how it has discharged its responsibilities as set out in these terms of reference.

## **9. Monitoring and Effectiveness**

- 9.1. The Committee shall have access to sufficient resources to carry out its duties, including access to company secretarial assistance as required.

- 9.2. It shall be provided with appropriate and timely training, both in the form of an induction programme for new members and an on-going basis for all members.
- 9.3. It will review its own performance, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Trust Board for approval.

## **10. Administrative Support**

- 10.1. Meetings will be supported by the Director of Corporate Governance/Trust Secretary's office, whose duties in this respect will include:
- Agreement of agendas with the Chair and Members.
  - Collation and distribution of papers.
  - Minute taking.
  - Keeping a record of matters arising and issues to be carried forward within an action log.
  - Advising the Committee on pertinent issues/areas.
  - Provision of a highlight report of the key business undertaken to the Trust Board following each meeting.